

CASE NAME: United States and the State of Colorado v. CoCa Mines, Inc.

Press Release Issued: No If yes, date issued AND URL: n/a

Type of agreement: Ability to Pay Consent Decree for recovery of response costs

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PAGE TITLE: EPA Recovers \$6 Million for Response Costs at the Nelson Tunnel/Commodore Waste Rock Pile Superfund Site in Creede, Colorado.

INTRODUCTORY PARAGRAPH: In March 2016, the U.S. Environmental Protection Agency (EPA), Department of Justice (DOJ) and the State of Colorado (Colorado) reached an agreement with CoCa Mines, Inc. (CoCa), to settle its liabilities at the Nelson Tunnel/Commodore Waste Rock Superfund Site (Site) by paying \$6 million in response costs.

Making a visible difference in communities – The Site is an abandoned hard rock mine site that includes the Commodore Waste Rock Pile (CWRP), which consists of approximately 200,000 cubic yards of formerly unstable mineralized waste rock that was the subject of a removal action completed in 2010. The Site also includes the Nelson Tunnel, which discharges approximately 300 gallons per minute of metals contaminated surface water (200 lbs zinc/day) directly into West Willow Creek.

Fishing is an important part of recreation for visitors and locals in Creede, Colorado. Fisheries have been impacted and no fish exist for approximately two miles below the Site. Further downstream, fish are sparse and appear to be suffering from reproductive effects of metals contamination. Willow Creek is a tributary of the Rio Grande River, a state-designated Gold Medal Fishery.

The EPA remedial program is currently evaluating alternatives for treatment of the Nelson Tunnel drainage to reduce heavy metal loading into West Willow Creek in order to improve aquatic conditions in the creek and downstream in the Rio Grande. The settlement money recovered from CoCa is contained in a special account to fund future remedial work at the Site. The program is also evaluating an interim response action to install a flow-through bulkhead in order to control on-going discharge and eliminate the potential for a large volume, uncontrolled release from the Nelson Tunnel.

INFORMATION ABOUT THE COMPANY: Minerals Engineering Company (MECO), CoCa's predecessor, mined the Amythyst, OH and P veins from 1972 until 1976, using the Commodore 5 tunnel adit that is located at the CWRP. MECO continued operations as a joint venture partner with an exploration company from approximately 1982-1989. CoCa is liable as a successor to MECO for the operations conducted between 1972 and 1976 and for the joint venture operations between 1982 and 1986. CoCa is also directly liable for the activities conducted by the joint

venture between 1986 and 1989 (operating for a total of ~10 years). CoCa is a wholly owned subsidiary of Hecla Limited (Hecla).

INFORMATION ABOUT THE SITE: Nelson Tunnel/Commodore Waste Rock Pile Superfund Site. The Site is located on West Willow Creek, approximately one mile upstream of the City of Creede, in Mineral County, Colorado, in the San Juan Mountains. The Site is nestled in the Creede Mining District where historical mining operations provided economic viability to the area beginning in the late 1800s. The EPA added the Site to the National Priorities List on September 3, 2008. [HYPERLINK "<https://cumulis.epa.gov/supercpad/cursites/csitinfo.cfm?id=0802630>"]

POLLUTANTS AND ENVIRONMENTAL EFFECTS: The EPA's work at the Site will address the ecological risk to aquatic and terrestrial receptors as well as the human health risk to individual from dermal contact with waste rock, soil or surface water, or by inhaling contaminated dust. The primary contaminants of concern at the Site are arsenic, manganese, lead and zinc.

BACKGROUND INFORMATION ON BANKRUPTCY PROCEEDINGS: n/a

SUMMARY OF THE AGREEMENT/ORDER: In March 2016, a consent decree between the U.S. Environmental Protection Agency (EPA), DOJ, Colorado and CoCa was filed with the U.S. District Court. On June 15, 2016, the Judge entered the final consent decree for the Nelson Tunnel/Commodore Waste Rock Pile Superfund Site (Site), wherein CoCa agreed to pay \$6 million to settle its CERCLA liability at the Site. Colorado will receive 10 percent of the cost recovery.

COMMENT PERIOD: n/a--comment period complete prior to final order.

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